

FISCAL NOTE

SB 3072 - HB 2881

February 27, 2004

SUMMARY OF BILL: Gives the Commissioner of the Department of Commerce and Insurance the authority to promulgate rules and regulations as deemed necessary to provide for the solvency, administration and enforcement of such pooling agreements and also subjects such pooling agreements to the *Insurers Rehabilitation and Liquidation Act*. Current law allows two or more governmental entities to enter into agreements with one another for joint or cooperative action to pool their financial and administrative resources for the purposes of risk management, insurance, and reinsurance for general and professional liability, workers' compensation liability, unemployment compensation liability and motor vehicle insurance.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$155,000

**Increase State Expenditures - \$155,000 Recurring
\$5,100 One-Time**

Increase Local Govt. Expenditures - \$155,000

Estimate assumes:

- salary, benefits and related expenses for two insurance examiners in the Department of Commerce and Insurance to examine pooling agreements.
- the Department of Commerce and Insurance charges the costs of the examinations back to the entities being examined. The Department does not charge back one-time expenses incident to the hiring of new personnel. Such costs in this bill total \$5,100.
- since the entities being examined will be pooling agreements of local governments, there will be an increase in local government expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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